

Increased ICT spending leads to efficient mining operations

The South African mining industry has experienced a significant decrease in profitability over the past two years. This decline is primarily the result of rising energy costs, labour unrest, the demand for increased wages, and older and deeper mines resulting in costlier operations. Technology and innovation, therefore, have become crucial parameters to produce efficient and sustainable mining operations.



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In 2013, the Information & Communication Technologies (ICT) spend by mining companies in South Africa was estimated at R1,78 billion and, with average growth at a CAGR of 2,3% per annum, is expected to grow to R2 billion by 2018.

An upcoming Frost & Sullivan report reveals that mining companies are moving away from high capital spend and are starting to migrate to, and make use of, more hosting and outsourcing solutions. Cloud-based services are also expected to grow at a CAGR of 26,7% by the year 2018 and the adoption of cloud technologies is fast becoming a growing trend within the mining industry. Companies that have already deployed technologies, such as modelling, simulation, and condition monitoring, are experiencing a vast improvement in operations, a reduction in running costs, and a greater return on investments (ROI).

Key trends like real time data collection and analysis, and investment into system integration, automation, as well as software and mining technical systems, also support optimisation and improve productivity. Frost & Sullivan concludes that skills within the mining industry are in dire need of improvement, and that training and skill transformation go hand in hand with technology upgrades.

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